

**ORDINANCE NO.:** \_\_\_\_\_

**AN ORDINANCE TO AMEND CHAPTER 25, CODE OF  
ORDINANCES, CITY OF MEMPHIS, SO AS TO INCREASE  
PENSION BENEFITS ALLOWABLE UNDER SECTION  
25-95 AND SECTION 25-195**

**SECTION 1. BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MEMPHIS,**  
that Chapter 25, Code of Ordinances, City of Memphis, be and the same is hereby amended by adding  
Subsection (v) under Section 25-95 to read as follows:

- (v) Effective July 1, 2009, the following additional increases shall take effect:
- (1) Members who retired prior to 1995 shall receive an increase in the amount of three percent (3%) of their present allowance.
  - (2) Members who retired during the years 1995 through 2000 shall receive an increase in the amount of two percent (2%) of their present allowance.
  - (3) Members who retired during the years 2001 through 2008 shall receive an increase in the amount of one percent (1%) of their present allowance.

**SECTION 2. BE IT FURTHER ORDAINED,** that Chapter 25 is further amended by adding  
Subsection (v) under Section 25-195, to read as follows:

- (v) Effective July 1, 2009 the following additional increases shall take effect:
- (1) Members who retired between the period of July 1, 1979 through December 31, 1994 shall receive an increase in the amount of three percent (3%) of their present allowance.
  - (2) Members who retired during the years 1995 through 2000 shall receive an increase in the amount of two percent (2%) of their present allowance.
  - (3) Members who retired during the years 2001 through 2008 shall receive an increase in the amount of one percent (1%) of their present allowance.

**SECTION 3. BE IT FURTHER ORDAINED,** that this ordinance shall take effect from and  
after the date it shall have been passed by the Council, signed by the Chairman of the Council, certified  
and delivered to the Office of the Mayor in writing by the Comptroller, and become effective as  
otherwise provided by law.

\_\_\_\_\_  
Myron Lowery  
Chairman of Council

ATTEST:

\_\_\_\_\_  
Patrice Thomas  
Comptroller

## **RESOLUTION**

**WHEREAS**, the Council of the City of Memphis did approve Golf Irrigation, CIP Project Number PK06006, as part of the Fiscal Year 2009 Capital Improvement Budget; and

**WHEREAS**, the Council of the City of Memphis did allocate \$1,088,000 in PK06006 in Fiscal Year 2009 for construction of new irrigation systems at Audubon and Pine Hill golf courses; and

**WHEREAS**, the Division of Park Services is preparing plans and specifications for bidding and construction purposes; and

**WHEREAS**, the Division of Park Services desires to appropriate funds within the Fiscal Year 2009 budget year prior to public bidding; and

**WHEREAS**, the Division of Park Services will bring the best bid to City Council for review and approval prior to contract award.

**NOW, THEREFORE, BE IT RESOLVED**, by the Council of the City of Memphis that there be and is hereby appropriated \$1,088,000 funded by G.O. Bonds – General and chargeable to the Fiscal Year 2009 Capital Improvement Budget, with said appropriation being credited as follows:

Project Title:	Golf Irrigation
Project Number:	PK06006
Amount:	\$1,088,000.00

## **RESOLUTION**

**WHEREAS**, the City of Memphis owns and operates public baseball fields at its Halle Park Complex, located at 2824 Mt. Moriah Avenue, through its Division of Park Services; and

**WHEREAS**, Memphis Boys Athletic Association (MBAA) has a long tradition of positively serving middle, high school and young adult players in the Memphis community by providing recreational opportunities through baseball activities; and

**WHEREAS**, the prior Use Agreement entered into between the City and MBAA has expired and the parties desire to enter into this new Agreement to set forth the terms which shall govern MBAA's continued use of baseball fields at Halle Park facilities; and

**WHEREAS**, the Division of Park Services desires to contract with MBAA to operate Halle Baseball Fields on a non-exclusive basis, for its community baseball program, pursuant to a Use Agreement with the City; and

**WHEREAS**, the period of this new Use Agreement shall be for two (2) years, with the option to extend for an additional two (2) years upon written approval by both parties; and

**WHEREAS**, City of Memphis Ordinance No. 4763, Article 1, Section 23-1(d) requires the approval of the Council of the City of Memphis to enter into this agreement.

**NOW THEREFORE, BE IT RESOLVED** by the Council of the City of Memphis that this Agreement between the City of Memphis and MBAA for specified use of baseball fields at the Halle Park Complex, is hereby approved in accordance with the terms set forth therein.

## RESOLUTION

**WHEREAS**, the Council of the City of Memphis approved Wolf River Interceptor, project number SW04004 as part of the Public Works Fiscal Year 2009 Capital Improvement Budget; and

**WHEREAS**, bids were taken on April 17, 2009 for sewer improvements to the Gray's Creek Interceptor with the lowest complying bid of seven bids being \$867,925.00 submitted by Argo Construction; and

**WHEREAS**, it is necessary to appropriate \$954,718.00 funded by Sewer Revenue Bonds in Wolf River Interceptor, project number SW04004 for sewer improvements as follows:

Contract Amount	\$ 867,925.00
Project Contingencies	\$ <u>86,793.00</u>
Total	\$ 954,718.00

**NOW, THEREFORE BE IT RESOLVED**, by the Council of the City of Memphis that there be and is hereby appropriated the sum of \$954,718.00 funded by Sewer Revenue Bonds chargeable to the Fiscal Year 2009 Capital Improvement Budget and credited as follows:

<b>Project Title:</b>	<b>Wolf River Interceptor</b>
<b>Project Number</b>	<b>SW04004</b>
<b>Amount:</b>	<b>\$954,718.00</b>

## RESOLUTION

**WHEREAS**, the Council of the City of Memphis approved Drainage - ST, project number ST03006 as part of the Public Works Fiscal Year 2009 Capital Improvement Budget; and

**WHEREAS**, bids were taken on March 17, 2009 for drainage improvements to the Royster Bayou Detention with the lowest complying bid of eight bids being \$496,002.60 submitted by Ferrell Paving; and

**WHEREAS**, it is necessary to transfer an allocation of \$535,684.00 funded by GO Bonds - General (Storm Water) from Drainage - ST, project number ST03006 to Royster Bayou Detention, project number ST03106 for drainage improvements; and

**WHEREAS**, it is necessary to appropriate \$535,684.00 funded by GO Bonds – General (Storm Water) in Royster Bayou Detention, project number ST03106 for drainage improvement as follows:

Contract Amount	\$496,003.00
Project Contingencies	<u>\$ 39,681.00</u>
Total Contract Amount	\$535,684.00

**NOW, THEREFORE BE IT RESOLVED**, by the Council of the City of Memphis that the Fiscal Year 2009 Capital Improvement Budget be and is hereby amended by transferring an allocation of \$535,684.00 funded by GO Bonds - General (Storm Water) from Drainage - ST, project number ST03006 to Royster Bayou Detention, project number ST03106.

**BE IT FURTHER RESOLVED**, that there be and is hereby appropriated the sum of \$535,684.00 funded by GO Bonds - General (Storm Water) chargeable to the Fiscal Year 2009 Capital Improvement Budget and credited as follows:

<b>Project Title:</b>	<b>Royster Bayou Detention</b>
<b>Project Number</b>	<b>ST03106</b>
<b>Amount:</b>	<b>\$535,684.00</b>

## RESOLUTION

**WHEREAS**, the Council of the City of Memphis approved Arwine, project number PW01196 as part of the Fiscal Year 2009 Capital Improvement Budget; and

**WHEREAS**, \$450,000 is needed for street improvements which will be completed by city employees and for materials and equipment used; and

**WHEREAS**, these expenses will be interfund billed from the General Fund and Stormwater Fund to Arwine, project number PW01196; and

**WHEREAS**, it is necessary to amend the FY 2009 Capital Improvement Budget by transferring an allocation of \$450,000.00 in G.O. Bonds-General from architecture and engineering cost to construction cost; and

**WHEREAS**, it is necessary to appropriate \$450,000.00 funded by GO Bonds - General for Arwine, project number PW01196.

**NOW, THEREFORE, BE IT RESOLVED**, by the Council of the City of Memphis that the FY2009 Capital Improvement Budget be amended by transferring an allocation of \$450,000.00 in G.O. Bonds-General in Arwine, project number PW01196 from architecture and engineering cost to construction cost for street improvements.

**BE IT FURTHER RESOLVED**, that there be and is hereby appropriated the sum of \$450,000.00 in G.O. Bonds-General chargeable to the FY 2009 Capital Improvement Budget and credited as follows:

Project Title:	Arwine
Project Number:	PW01196
Amount:	\$450,000.00

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE TO AMEND CABLE FRANCHISE  
ORDINANCE NO. 4159 EXTENDING THE FRANCHISE ORDINANCE, AS AMENDED,  
THROUGH OCTOBER 6, 2009**

**WHEREAS**, City Ordinance No. 4159, granted a cable franchise to Memphis CATV, INC., for a period of Ten (10) years beginning May 3, 1993 ("Franchise Ordinance"). This Franchise was on May 2, 2000 transferred to AOL Time Warner, Inc. by Substitute Ordinance No. 4767; and

**WHEREAS**, pursuant to Section 14 of said Franchise Ordinance an amendment was made by Ordinance No. 4943, adopted May 21, 2002, allowing Grantee the option to extend said franchise rights until May 3, 2008; provided, Grantee upgraded its network to a capability of supplying a minimum of 70 channels of programming to subscribers; and

**WHEREAS**, Grantee is presently offering at least 300 channels of programming to customers, including Digital and High Definition television, and intends to begin interactive Video-On-Demand services in the near future, which will further increase Grantee's level of technology; and

**WHEREAS**, Grantee requested renewal of its Franchise by letter filed with the City dated on or about August 15, 2005; and

**WHEREAS**, a transfer of ownership from Time Warner Communications to CABLE Holdco, II, Inc., a wholly-owned subsidiary of MOC Holdco II, Inc., was granted by an Ordinance adopted September 20, 2005, establishing CABLE Holdco II, Inc. as the Grantee of the Franchise Ordinance; and

**WHEREAS**, Grantee subsequently changed its name to Comcast of Arkansas / Florida / Louisiana / Minnesota / Mississippi / Tennessee, Inc., a wholly-owned subsidiary of Comcast Corporation, of which the City of Memphis was notified by letter dated August 1, 2006;

**WHEREAS**, the Council extended the franchise by Ordinance 5286 until June 16, 2009; and

**WHEREAS,** the Council the Council desires to extend the Franchise from June 16, 2009 to October 6, 2009 so that a new ordinance can be negotiated with the franchise holder and introduced for adoption by this body.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MEMPHIS,**

**SECTION 1.** That pursuant to Section 14 of Ordinance No. 4159, the Franchise period, and said Franchise is hereby extended until October 6, 2009 or until a new ordinance is adopted by the Council, whichever occurs first. That all other terms and conditions of Original Ordinance No. 4159 and Amendment Ordinances Nos. 4767 and 4943, shall be, and remain the same through said extension date of October 6, 2009.

**SECTION 2.** That this Ordinance shall take effect from and after the date it shall have been passed by the Council, signed by the Chairman of the Council, certified and delivered to the Office of the Mayor in writing by the Comptroller and become effective as otherwise provided by law.

**MYRON LOWERY**  
Chairman of Council

Attest:  
Patrice Thomas, Comptroller



## RESOLUTION

**WHEREAS**, the Division of Housing and Community Development (HCD) continues to implement programs that provide housing assistance to low income, homeless and special needs populations; and

**WHEREAS**, the Division of Housing and Community Development on behalf of the City of Memphis submitted a grant application to the U.S. Department of Housing and Urban Development (HUD) as part of Memphis' Continuum of Care 2008 application for the continuance of the Shelter Plus Care Grant, Project Number TN 37C970105, which is implemented by Friends for Life, Inc.; and

**WHEREAS**, the City of Memphis was awarded a One Hundred and Twenty Nine Thousand Three Hundred and Thirty Six Dollars (\$129,336.00) grant from HUD for a period commencing on March 1, 2009 and ending February 28, 2010; and

**WHEREAS**, the City of Memphis Division of Housing and Community Development in the grant application proposed to award said funds to the project sponsor, Friends for Life, to ensure the continuation of the existing project based rental assistance program which provides funding for a 16-unit apartment facility.

**NOW, THEREFORE, BE IT RESOLVED** by the Council of the City of Memphis that the HUD Shelter Plus Care grant renewal in the amount of One Hundred and Twenty Nine Thousand Three Hundred and Thirty Six Dollars (\$129,336.00) be accepted by the City of Memphis.

**BE IT FURTHER RESOLVED**, that the Fiscal Year 2009 Operating Budget be and is hereby amended by appropriating the Revenues and Expenditures for this Shelter Plus Care program in the amount of One Hundred and Twenty Nine Thousand Three Hundred and Thirty Six Dollars (\$129,336.00) as follows:

**Revenue**

HUD Shelter Plus Care Grant TN37C970105	\$129,336.00
<b>Total</b>	<b>\$129,336.00</b>

**Expense**

Payment to Subgrantees (CD90021)	\$129,336.00
<b>Total</b>	<b>\$129,336.00</b>

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**CITY OF MEMPHIS,**

**TENNESSEE**

**GAS SYSTEM REVENUE ANTICIPATION NOTES**

**NOTE RESOLUTION**

**(adopted \_\_\_\_\_, 2009)**

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A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF NOT TO EXCEED \$20,000,000 OF SHORT TERM (NOT EXCEEDING TWELVE (12) MONTHS) GAS SYSTEM REVENUE ANTICIPATION NOTES OF THE CITY OF MEMPHIS FOR THE BENEFIT OF THE MEMPHIS LIGHT, GAS AND WATER DIVISION TO PROVIDE FUNDS, IN ANTICIPATION OF THE COLLECTION OF REVENUES FROM THE CITY'S GAS SYSTEM, TO PURCHASE NATURAL GAS, INCLUDING STORAGE COSTS AND PIPELINE CAPACITY COSTS AS PERMITTED BY § 7-34-111(d) OF TENNESSEE CODE ANNOTATED; FIXING THE TERMS OF SAID NOTES; AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF THE NOTES AND OTHER DOCUMENTS TO EFFECTUATE THE FINANCING; AUTHORIZING THE SALE OF THE NOTES TO THE PURCHASERS; DESIGNATING THE PAYING AGENT AND REGISTRATION AGENT AND AUTHORIZING CERTAIN OTHER ACTS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF SAID NOTES.

WHEREAS, the City Council of the City of Memphis, Tennessee, is authorized to issue notes and notes on behalf of the Memphis Light, Gas and Water Division pursuant to Section 686 of the Charter of MLG&W.

WHEREAS, pursuant to Section 7-34-111, Tenn. Code Ann. (1996) the City is authorized to issue Revenue Anticipations Notes for the purpose of financing gas purchases in anticipation of the collection of revenues from the Gas System;

WHEREAS, the Board of Light, Gas and Water Commissioners has requested the Council to issue pursuant to its Charter and the Act not to exceed Twenty Million Dollars (\$20,000,000) Gas System Revenue Anticipation Notes, to be designated Series of 2009 (herein defined as the "Notes") to finance the purchase of natural gas in anticipation of revenues from the Gas System; and

WHEREAS, this Council has determined that it is in the best interest of the City of Memphis to issue at this time Anticipation Notes to insure availability of natural gas to its citizens;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MEMPHIS, as follows:

## **ARTICLE I. CERTAIN DEFINITIONS**

SECTION 1.01. Definitions by Reference. (a) All terms contained in this Resolution shall have the meanings given to such terms in Section 1.01 except as expressly provided herein or unless the context shall clearly indicate that another meaning is intended.

SECTION 1.02. Special Definitions. As used in this Resolution, the following words and phrases shall have the meanings hereinafter set forth unless the context shall clearly indicate that another meaning is intended.

"Act" means Title 7, Chapter 34, Tennessee Code Annotated.

"Note Counsel" means Allan J. Wade, PLLC or such other nationally recognized note counsel selected by the Division.

"Code" means the Internal Revenue Code of 1986, as amended.

"Division" means the Board of Light, Gas and Water Commissioners operating the Memphis Light, Gas and Water Division of the City, established pursuant to Private Acts of Tennessee, 1939, Chapter 381, as amended and any board, body, agency or instrumentality of the City which shall hereafter succeed to the powers, duties and functions of said Board.

"Gas System" shall mean a gas plant or system, including without limitation, all accessory apparatus, buildings and lands, right-of-way easements, and all other appurtenances to or accessories for such plant or systems to be operated for the acquisition, distribution and/or sale of natural or artificial gas for the inhabitants of the City of Memphis or elsewhere in Shelby County, Tennessee operated by and under the supervision of the Division.

"Registration Agent" means the Secretary-Treasurer of the Division.

SECTION 1.03. Time. All references to the time of day or the close of business used in this Resolution are to the time in effect and the close of business in The City of Memphis, Tennessee.

## **ARTICLE II. AUTHORIZATION OF ISSUANCE OF GAS ANTICIPATION NOTES**

SECTION 2.01. Authorization of Gas Anticipation Notes.

(a) Authorization of Gas Anticipation Notes. There is hereby authorized to be issued, authenticated and delivered pursuant to and under the Charter and the Act designated the "Gas System Revenue Anticipation Notes" in the aggregate principal amount not to exceed Twenty Million Dollars (\$20,000,000) to provide for financing of the purchase of natural gas on anticipation of receipt of revenues from the Gas System by the Division.

(b) Details of Anticipation Notes. The Notes shall mature twelve (12) months from issuance and bear interest at the rates per annum, not to exceed 5% per annum (computed in the

manner set forth in Section 6.03 hereof), all as shall be determined by the President of the Division.

SECTION 2.02. Denominations. Medium. Method and Place of Payment of Principal and Interest and Dating of Anticipation Notes. The Notes shall be issued in the form of fully registered Notes in the denomination of \$100,000 each or integral multiples thereof. The principal of and premium, if any, and interest on the Notes shall be payable in lawful money of the United States of America. The interest on the Notes shall be due at maturity.

The Anticipation Notes shall be dated as of the date of delivery, shall show the date of authentication thereof and shall bear interest from the date of authentication.

SECTION 2.03. Form of Notes. The Notes and the assignment to appear thereon shall each be in substantially the forms respectively set forth in Exhibit A attached hereto and incorporated herein, with appropriate or necessary insertions, omissions and variations as permitted or required hereby.

SECTION 2.04. Delivery of Notes. (a) Conditions Precedent. The Notes shall be executed, but before the Secretary-Treasurer shall deliver the Notes there shall be filed with the Trustee the following:

- (1) a certified copy of this Resolution; and
- (2) evidence of approval by the Tennessee Director of Finance of the loan evidenced by the Notes.

When the documents mentioned in clauses (1) and (2), inclusive, of this Section 2.04(a) shall have been delivered to the Purchaser, and when the Notes shall have been executed and authenticated as required by the Resolution, MLGW shall deliver the Notes at one time to or upon the order of the purchasers, but only upon the payment to MLGW of the purchase price of the Notes.

SECTION 2.05. Application of Proceeds of Sale of the Notes. The proceeds of the Notes shall be deposited in the Division's Common fund to be used to defray the cost of gas purchases and other operating expenses of the Gas System.

### **ARTICLE III. REDEMPTION OF ANTICIPATION NOTES**

SECTION 3.01. Redemption of Notes. The Notes may not be prepaid prior to their stated maturities.

**ARTICLE IV.**  
**EXECUTION AND AUTHENTICATION OF NOTES;**  
**APPOINTMENT OF PAYING AGENT AND REGISTRATION**  
**AGENT; PAYMENT OF NOTES; BOOK ENTRY; OTHER MATTERS**

SECTION 4.01. Execution of Notes. The Notes shall be executed with the facsimile signature of the Mayor, the facsimile signature of the Comptroller of the City, and shall have imprinted thereon a facsimile of the Seal of the City. The Notes shall be valid and binding obligations notwithstanding that before the delivery thereof the persons whose facsimile signatures appear thereon shall have ceased to be officers of the City.

SECTION 4.02. Authentication of Notes. The Mayor and Comptroller of the City of Memphis, after execution of the Notes in the form and manner as set forth in this Resolution, shall cause the Notes to be deposited with the Registration Agent. The Registration Agent is hereby authorized and directed to authenticate the Notes and the Registration Agent is hereby authorized to deliver the Notes to the original Purchasers thereof upon payment of the proceeds of the sale thereof to MLGW.

SECTION 4.03. Printing of Notes. The Secretary of the Division is hereby authorized and directed to cause to be printed or typed the Notes, including the approving opinion of Note Counsel.

SECTION 4.04. Payment of Notes. The Division shall withdraw from available moneys of the Division, after paying or making provision for operating expenses of the Gas System and reserving sufficient moneys, with reasonably expected revenues, to provide for the payment of the Notes and intent thereon as and when due.

SECTION 4.05. Book-Entry: Replacement Notes. The Refunding Notes shall be issued only in fully registered form without coupons.

**ARTICLE V.**  
**REVENUES AND FUNDS**

SECTION 5.01. Covenant as to Rates. The City shall provide for the establishing, maintaining and collecting by the Division of rates, fees, rents and charges for the use of the services and facilities furnished by the City's Gas System sufficient to provide for the payment of the expenses of the City and the Division incurred in the repair, maintenance and operation of the Gas System and for the payment of the principal of and the interest on the Notes as the same become due and payable, including reserves for such purposes.

SECTION 5.02. Establishment of Accounts. The Resolution provides for the payment of principal and interest on the Note solely from Gas System Revenues generated by the Gas System for which the Note is issued. The Resolution also provides for a sufficient amount of the revenues of the Gas System, over and above such expenses of repair, maintenance and operation, to pay the principal of and the interest on all outstanding notes as the same become due and

payable and to create a reserve for such purposes, which Note Fund is pledged to and charged with the payment of the principal of and the interest on the Note.

## **ARTICLE VI. SPECIAL COVENANTS AND OTHER MATTERS**

SECTION 6.01. Tax Covenant. The City covenants and agrees that it will comply with the requirements of Section 103 and Sections 141-150 of the Code if and to the extent required to maintain the exclusion of interest on the Notes from gross income for federal income tax purposes under the Code.

SECTION 6.03. Sale of Notes. The President of the Division is hereby authorized to negotiate with \_\_\_\_\_, with respect to the purchase of the Notes, the Notes to be sold at the price of not less than par and at an effective composite interest rate of not more than 5%, determined by doubling the semiannual interest rate (compounded semi-annually) necessary to discount the debt service payments from the payment dates to the dated date of the Notes and to the purchase price, not including interest accrued to the date of delivery.

SECTION 6.04. Official Action. The officers of the City and the Division are hereby authorized and directed to do all acts and things required of them by the provisions of the Notes and the Note Resolution, for the full, punctual and complete performance of all the terms, covenants, provisions and agreements of the Notes and the Note Resolution and also to do all acts and things required of them by the provisions of the Note Resolution.

SECTION 6.08. Effect of Section Headings and Table of Contents. The headings or titles of the several Sections hereof, and any table of contents appended hereto or to copies hereof, shall be solely for convenience of reference and shall not affect the meaning or construction, interpretation or effect of this Note Resolution.

SECTION 6.10. Effective Date. This Note Resolution shall take effect immediately upon adoption.

## **EXHIBIT A**

### **CITY OF MEMPHIS, TENNESSEE MLGW GAS SYSTEM REVENUE ANTICIPATION NOTES, SERIES 2009**

REGISTERED:

Date:

REGISTERED AMOUNT:

INTEREST RATE:

MATURITY DATE:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The CITY OF MEMPHIS ("City"), a municipal corporation organized and existing under the laws of the State of Tennessee, for value received, hereby promises to pay, solely from the special fund provided therefor as hereinafter set forth, to the Registered Owner (named above), or registered assigns, on the Maturity Date (specified above), the Principal Amount (specified above), upon the presentation and surrender of this Note by the Registered Owner at the principal office of the City, 220 So. Main, Memphis, Tennessee, 38103, or at the principal office of any other or successor Paying Agent for this Note designated by the City together with interest due on said Principal Amount on April 30, 2010, and interest only on said Principal Amount shall be payable quarterly on October 1, 2009, January 1, 2010, and at maturity, April 30, 2010 or on the date such Principal Amount at the Interest Rate (specified above) per annum is actually paid, solely from said special fund, to said Registered Owner hereof, or registered assigns, by wire transfer or by draft or by check drawn upon the City's accounts and mailed to the Registered Owner in whose name this Note is registered at its address as it appears on the note registration books of the City kept and maintained by the Registration Agent as of the close of business on the fifteenth day of the calendar month preceding the month in which principal or interest is payable. The principal of and premium, if any, and interest on this Note are payable in such coin or currency of the United States of America as at the respective dates of payment is legal tender for public and private debts.

This Note shall not be deemed to constitute a debt of the City within the meaning of any Constitutional, Charter or statutory limitation, and neither the State of Tennessee nor the City or other political subdivision is liable for the payment of this note or the interest hereon, but this note shall be payable as to both principal and interest solely from the special fund provided therefor and revenues pledged thereto as hereinafter set forth.

This Note is one of a duly authorized series of revenue notes known as "Gas System Revenue Anticipation Note, Series of 2009," issued in the aggregate principal amount of Twenty



Million Dollars (\$20,000,000) for the purpose of providing funds, in anticipation of the collection of revenues from the City's Gas System, to purchase natural gas, including storage costs and pipeline capacity costs as permitted by § 7-34-111(d) of Tennessee Code Annotated, which is operated on behalf of the City by the Board of Light, Gas and Water Commissioners (the "Division" ).

This Note (hereinafter referred to as the "Note" ) is issued under and pursuant to a note resolution duly adopted by the Council of the City of Memphis on \_\_\_\_\_, 2009 (such resolutions, hereinafter collectively called the "Resolution"). Copies of the Resolution are on file at the office of the City Comptroller and at the office of the Division. Reference is hereby made to the Resolution for the provisions, among others, with respect to custody and application of the proceeds of the Notes, the collection and disposition of revenues, the funds charged with and pledged to the payment of the principal of and interest on the notes, the nature and extent of the security for the notes, the terms and conditions on which the notes are or may be issued, the rights, duties and obligations of the City and the rights of the holders of the Notes, and, by the acceptance of this Note, the holder hereof assents to all of the provisions of the Resolution.

This Note is issued and the Resolution was adopted under and pursuant to the Constitution and laws of the State of Tennessee, particularly Chapter 34, Title 7, Tennessee Code Annotated, as amended, and the Charter of the City of Memphis, and this Note is issued under and pursuant to resolutions duly adopted by the City and the Division, including the Resolution.

The City shall provide for the establishing, maintaining and collecting by the Division, with the approval of the City, of rates, fees, rents and charges for the use of the services and facilities furnished by the City's Gas System sufficient to provide for the payment of the expenses of the City and the Division incurred in the repair, maintenance and operation of the Gas System and for the payment of the principal of and the interest on notes as the same become due and payable, including reserves for such purposes. The Resolution provides for the payment of principal and interest on the Note solely from Gas System Revenues generated by the Gas System for which the Note is issued. The Resolution also provides for a sufficient amount of the revenues of the Gas System, over and above such expenses of repair, maintenance and operation, to pay the principal of and the interest on all outstanding notes as the same become due and payable and to create a reserve for such purposes, which Note Fund is pledged to and charged with the payment of the principal of and the interest on the Note.

Subject to the limitations and upon payment of the charges, if any, provided in the proceedings authorizing the Note, this Note may be exchanged at the office of the Division for a like aggregate principal amount of Notes of other authorized principal amounts and of the series of which this Note is one. This Note is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the office of the Paying Agent but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the proceedings authorizing the Notes of the series of which this Note is one, and upon the surrender hereof for cancellation. Upon such transfer a new Note or Notes of authorized denominations and of the same aggregate principal amount of the series of which this Note is one will be issued to the transferee in exchange herefor.

The holder of this Note shall have no right to enforce the provisions of the Resolution or

to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Resolution or to institute or appear in or defend any suit or other proceeding with respect thereto, except as, to the extent and in the manner provided in the Resolution.

In certain events, on the conditions, in the manner and with the effect set forth in the Resolution, the principal of the Notes may become or may be declared due and payable before the stated maturities thereof, together with the interest accrued thereon.

Modifications or alterations of the Resolution or of any resolution supplemental thereto may be made only to the extent and in the circumstances permitted by the Resolution.

This Note is issued with the intent that the laws of the State of Tennessee shall govern its construction and enforcement.

All acts, conditions and things required by the Constitution and laws of the State of Tennessee and the rules and regulations of the City of Memphis to happen, exist and be performed precedent to and in the issuance of this Note have happened, exist and have been performed as so required.

IN WITNESS WHEREOF, the City of Memphis has caused this Note to bear the facsimile signatures of the Mayor and the City Comptroller, and a facsimile of its seal to be imprinted hereon, all as of the \_\_\_\_ day of \_\_\_\_\_, 2009.

CITY OF MEMPHIS

(Seal)  
Attest:

\_\_\_\_\_  
DR. W.W. HERENTON, Mayor

\_\_\_\_\_  
Comptroller

**CERTIFICATE OF AUTHENTICATION**

This Note is one of the Notes described in the within mentioned Resolution and is one of the City of Memphis, Tennessee Gas System Revenue Anticipation Notes, Series of 2009.

REGISTRATION AGENT

By: \_\_\_\_\_  
Authorized Signature

**(FORM OF ASSIGNMENT)**

For value received \_\_\_\_\_ hereby sells, assigns  
and transfers unto \_\_\_\_\_ the within  
mentioned note and hereby irrevocably constitutes and appoints  
\_\_\_\_\_, Attorney, to transfer the same on the books of  
registration in the principal office of the Registration Agent of the City with full power of  
substitution in the premises.

Dated: \_\_\_\_\_

Witness: \_\_\_\_\_

NOTE: The signature of this assignment must correspond with the name as  
written on the face of the within Note in every particular, without alteration,  
enlargement or any change whatsoever.

EXCERPT  
From  
MINUTES OF MEETING  
Of  
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS,  
CITY OF MEMPHIS  
Held  
May 21, 2009

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The Secretary-Treasurer reported to the Board that, after considerable discussion and negotiation, it is recommended that the Board adopt the Resolutions listed below and authorize, direct and ratify and recommend to the Council of the City of Memphis the execution and distribution of, the documents listed below in connection with the issuance, sale and delivery of not to exceed \$20,000,000 of Short Term (not exceeding twelve (12) months) Gas System Revenue Anticipation Notes (the "Notes"), pursuant to Section 686 of the Charter of the City and § 7-34-111, Tenn. Code Ann. (1996) for the purpose of providing funds, in anticipation of the collection of revenues from the City's Gas System, to purchase natural gas, including storage costs and pipeline capacity costs as permitted by § 7-34-111(d) of Tennessee Code Annotated. The Secretary-Treasurer further requests that the Board authorize the President and the Secretary-Treasurer to negotiate the rates and terms of such financing with any lender, purchaser or investor of the Notes.

1. A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF NOT TO EXCEED \$20,000,000 OF SHORT TERM (NOT EXCEEDING TWELVE (12) MONTHS) GAS SYSTEM REVENUE ANTICIPATION NOTES OF THE CITY OF MEMPHIS FOR THE BENEFIT OF THE MEMPHIS LIGHT, GAS AND WATER DIVISION TO PROVIDE FUNDS, IN ANTICIPATION OF THE COLLECTION OF REVENUES FROM THE CITY'S GAS SYSTEM, TO PURCHASE NATURAL GAS, INCLUDING STORAGE COSTS AND PIPELINE CAPACITY COSTS AS PERMITTED BY § 7-34-111(d) OF TENNESSEE CODE ANNOTATED; FIXING THE TERMS OF SAID NOTES; AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF THE NOTES AND OTHER DOCUMENTS TO EFFECTUATE THE FINANCING; AUTHORIZING THE SALE OF THE NOTES TO THE PURCHASERS; DESIGNATING THE PAYING AGENT AND REGISTRATION AGENT AND AUTHORIZING CERTAIN OTHER ACTS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF SAID NOTES.
2. As provided in the Resolution described in paragraph 1 above, the President and the Secretary-Treasurer of the Division are authorized to determine the details of the Notes, including the

interest rate or rates, maturities of the Notes, payment provisions and redemption provisions. The President and Secretary-Treasurer are hereby authorized to make such appropriate changes, insertions and deletions in the Resolutions described above as they determine to be in the best interests of the Division.

3. That the President and the Secretary-Treasurer are authorized to prepare disclosure documents, if any, required, to be delivered to any lender, purchaser or investor of the Notes.

It was moved by Commissioner Wishnia,

seconded by Commissioner Brittenum and unanimously carried:

That, the Board of Light, Gas and Water Commissioners hereby adopts the Resolutions and to the extent required by the City's Charter and applicable law, recommends and requests the Council of the City of Memphis to adopt the Resolutions and issue on behalf of the Light, Gas and Water Division of the City of Memphis Gas System Revenue Anticipation Notes in a principal amount not exceeding \$20,000,000, in one or more series, in accordance with the terms and conditions set forth in the Resolution described in paragraph 1 above; and

That the resolution described in paragraph 1 above is hereby approved in substantially the form presented to this meeting, together with such changes, insertions, omissions and deletions as may be approved by President and Secretary-Treasurer of the Division, and that this Board does hereby request and recommend the Council of the City of Memphis to adopt such resolution on behalf of the Light, Gas and Water Division; and

That, to the extent required by the City's Charter and applicable law, this Board does hereby request the Council for the City of Memphis to authorize and direct the execution of each of the documents mentioned in the Resolutions; each such document shall be executed on behalf of this Board by the President and Secretary-Treasurer in the manner therein set forth; and

That, the President and the Secretary-Treasurer are authorized and directed to take all other and further necessary steps for the proper issuance of said Notes, including, but not limited to, obtaining all necessary approvals required by Tennessee law and making all necessary declarations, tax elections and certifications as required by the Internal Revenue Code and pertinent regulations. The Board does hereby approve, ratify and affirm all actions of President and the Secretary-Treasurer taken prior to the adoption hereof in preparation of the Board's action on this resolution.

I hereby certify that the foregoing is a true copy of a resolution adopted by the Board of Light, Gas and Water Commissioners at a regular ~~special~~ meeting held on 21st day of May, 2009, at which a quorum was present.

  
Secretary-Treasurer

*Minutes Approved 5.21.09*